

107TH CONGRESS
1ST SESSION

S. 1681

To establish the Northern Great Plains Rural Development Authority.

IN THE SENATE OF THE UNITED STATES

NOVEMBER 13, 2001

Mr. JOHNSON (for himself, Mr. WELLSTONE, Mr. HARKIN, Mr. DASHLE, and Mr. DORGAN) introduced the following bill; which was read twice and referred to the Committee on Agriculture, Nutrition, and Forestry

A BILL

To establish the Northern Great Plains Rural Development Authority.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. SHORT TITLE.**

4 This Act may be cited as the “Northern Great Plains
5 Rural Development Authority Act”.

6 **SEC. 2. FINDINGS.**

7 Congress finds that—

8 (1) the rural economy of the Northern Great
9 Plains region is undergoing a substantial and poten-
10 tially threatening transformation;

1 (2) the Northern Great Plains region suffers
2 from substantial measurable poverty, unemployment,
3 outmigration, underemployment, aging of the popu-
4 lation, and low per capita income;

5 (3) the Northern Great Plains region is highly
6 rural, has a highly dispersed population, and con-
7 tains reservations of many Indian tribes;

8 (4) many of the basic industries of the rural
9 Northern Great Plains region relating to natural re-
10 sources are under stress;

11 (5) a concerted Federal, State, and local public
12 and private effort is needed if the rural Northern
13 Great Plains region is to share in the general pros-
14 perity of the United States;

15 (6) the creation of jobs and expansion of busi-
16 nesses, including small businesses, offer the greatest
17 hope for rural economic growth and revitalization in
18 the Northern Great Plains region;

19 (7) the availability of capital, technology, mar-
20 ket information, infrastructure development, edu-
21 cational opportunities, health care, housing, rec-
22 reational activities, and resource development are es-
23 sential to successful business development in the
24 rural Northern Great Plains region;

1 (8) the transportation needs of the rural North-
2 ern Great Plains region must be addressed through
3 highway and bridge construction, air service avail-
4 ability, and rail service and river transport develop-
5 ment;

6 (9) because of the social, geographic, weather,
7 historical, and cultural aspects and economic prob-
8 lems of the rural Northern Great Plains region,
9 planning for this unique region is desirable and ur-
10 gently needed;

11 (10) in the rural Northern Great Plains region,
12 the tourism industry offers significant additional po-
13 tential for supporting economic development and job
14 growth, fostered by the wise stewardship of natural
15 resources; and

16 (11) the Northern Great Plains Rural Develop-
17 ment Commission authorized by Congress
18 provided—

19 (A) valuable services, including the identi-
20 fication of critical regional needs; and

21 (B) substantial recommendations relating
22 to the long term economic viability of the
23 Northern Great Plains region.

1 **SEC. 3. NORTHERN GREAT PLAINS REGIONAL AUTHORITY.**

2 The Consolidated Farm and Rural Development Act
3 is amended by adding at the end the following:

4 **“Subtitle G—Northern Great Plains**
5 **Regional Authority**

6 **“SEC. 383A. DEFINITIONS.**

7 “In this subtitle:

8 “(1) **AUTHORITY.**—The term ‘Authority’ means
9 the Northern Great Plains Regional Authority estab-
10 lished by section 383B.

11 “(2) **FEDERAL GRANT PROGRAM.**—The term
12 ‘Federal grant program’ means a Federal grant pro-
13 gram to provide assistance in—

14 “(A) acquiring or developing land;

15 “(B) constructing or equipping a highway,
16 road, bridge, or facility; or

17 “(C) carrying out other economic develop-
18 ment activities.

19 “(3) **REGION.**—The term ‘region’ means the
20 States of Iowa, Minnesota, Nebraska, North Dakota,
21 and South Dakota.

22 **“SEC. 383B. NORTHERN GREAT PLAINS REGIONAL AUTHOR-**
23 **ITY.**

24 “(a) **ESTABLISHMENT.**—

25 “(1) **IN GENERAL.**—There is established the
26 Northern Great Plains Region Regional Authority.

1 “(2) COMPOSITION.—The Authority shall be
2 composed of—

3 “(A) a Federal member, to be appointed
4 by the President, with the advice and consent
5 of the Senate; and

6 “(B) the Governor (or a designee of the
7 Governor) of each State in the region that
8 elects to participate in the Authority.

9 “(3) COCHAIRPERSONS.—The Authority shall
10 be headed by—

11 “(A) the Federal member, who shall
12 serve—

13 “(i) as the Federal cochairperson; and

14 “(ii) as a liaison between the Federal
15 Government and the Authority; and

16 “(B) a State cochairperson, who—

17 “(i) shall be a Governor of a partici-
18 pating State in the region; and

19 “(ii) shall be elected by the State
20 members for a term of not less than 1
21 year.

22 “(b) ALTERNATE MEMBERS.—

23 “(1) STATE ALTERNATES.—The State member
24 of a participating State may have a single alternate,
25 who shall be—

1 “(A) a resident of that State; and

2 “(B) appointed by the Governor of the
3 State.

4 “(2) ALTERNATE FEDERAL COCHAIRPERSON.—
5 The President shall appoint an alternate Federal co-
6 chairperson.

7 “(3) QUORUM.—A State alternate shall not be
8 counted toward the establishment of a quorum of
9 the Authority in any instance in which a quorum of
10 the State members is required to be present.

11 “(4) DELEGATION OF POWER.—No power or
12 responsibility of the Authority specified in para-
13 graphs (2) and (3) of subsection (c), and no voting
14 right of any Authority member, shall be delegated to
15 any person—

16 “(A) who is not an Authority member; or

17 “(B) who is not entitled to vote in Author-
18 ity meetings.

19 “(c) VOTING.—

20 “(1) IN GENERAL.—A decision by the Authority
21 shall require a majority vote of the Authority (not
22 including any member representing a State that is
23 delinquent under subsection (g)(2)(C)) to be effec-
24 tive.

1 “(2) QUORUM.—A quorum of State members
2 shall be required to be present for the Authority to
3 make any policy decision, including—

4 “(A) a modification or revision of an Au-
5 thority policy decision;

6 “(B) approval of a State or regional devel-
7 opment plan; and

8 “(C) any allocation of funds among the
9 States.

10 “(3) PROJECT AND GRANT PROPOSALS.—The
11 approval of project and grant proposals shall be—

12 “(A) a responsibility of the Authority; and

13 “(B) conducted in accordance with section
14 383I.

15 “(4) VOTING BY ALTERNATE MEMBERS.—An
16 alternate member shall vote in the case of the ab-
17 sence, death, disability, removal, or resignation of
18 the Federal or State representative for which the al-
19 ternate member is an alternate.

20 “(d) DUTIES.—The Authority shall—

21 “(1) develop, on a continuing basis, comprehen-
22 sive and coordinated plans and programs to establish
23 priorities and approve grants for the economic devel-
24 opment of the region, giving due consideration to

1 other Federal, State, and local planning and devel-
2 opment activities in the region;

3 “(2) not later than 220 days after the date of
4 enactment of this subtitle, establish priorities in a
5 development plan for the region (including 5-year re-
6 gional outcome targets);

7 “(3) assess the needs and assets of the region
8 based on available research, demonstrations, inves-
9 tigations, assessments, and evaluations of the region
10 prepared by Federal, State, and local agencies, uni-
11 versities, local development districts, and other non-
12 profit groups;

13 “(4) formulate and recommend to the Gov-
14 ernors and legislatures of States that participate in
15 the Authority forms of interstate cooperation;

16 “(5) work with State and local agencies in de-
17 veloping appropriate model legislation;

18 “(6)(A) enhance the capacity of, and provide
19 support for, local development districts in the region;
20 or

21 “(B) if no local development district exists in
22 an area in a participating State in the region, foster
23 the creation of a local development district;

1 “(7) encourage private investment in industrial,
2 commercial, and other economic development
3 projects in the region; and

4 “(8) cooperate with and assist State govern-
5 ments with economic development programs of par-
6 ticipating States.

7 “(e) ADMINISTRATION.—In carrying out subsection
8 (d), the Authority may—

9 “(1) hold such hearings, sit and act at such
10 times and places, take such testimony, receive such
11 evidence, and print or otherwise reproduce and dis-
12 tribute a description of the proceedings and reports
13 on actions by the Authority as the Authority con-
14 siders appropriate;

15 “(2) authorize, through the Federal or State co-
16 chairperson or any other member of the Authority
17 designated by the Authority, the administration of
18 oaths if the Authority determines that testimony
19 should be taken or evidence received under oath;

20 “(3) request from any Federal, State, or local
21 department or agency such information as may be
22 available to or procurable by the department or
23 agency that may be of use to the Authority in car-
24 rying out duties of the Authority;

1 “(4) adopt, amend, and repeal bylaws and rules
2 governing the conduct of Authority business and the
3 performance of Authority duties;

4 “(5) request the head of any Federal depart-
5 ment or agency to detail to the Authority such per-
6 sonnel as the Authority requires to carry out duties
7 of the Authority, each such detail to be without loss
8 of seniority, pay, or other employee status;

9 “(6) request the head of any State department
10 or agency or local government to detail to the Au-
11 thority such personnel as the Authority requires to
12 carry out duties of the Authority, each such detail
13 to be without loss of seniority, pay, or other em-
14 ployee status;

15 “(7) provide for coverage of Authority employ-
16 ees in a suitable retirement and employee benefit
17 system by—

18 “(A) making arrangements or entering
19 into contracts with any participating State gov-
20 ernment; or

21 “(B) otherwise providing retirement and
22 other employee benefit coverage;

23 “(8) accept, use, and dispose of gifts or dona-
24 tions of services or real, personal, tangible, or intan-
25 gible property;

1 “(9) enter into and perform such contracts,
2 leases, cooperative agreements, or other transactions
3 as are necessary to carry out Authority duties, in-
4 cluding any contracts, leases, or cooperative agree-
5 ments with—

6 “(A) any department, agency, or instru-
7 mentality of the United States;

8 “(B) any State (including a political sub-
9 division, agency, or instrumentality of the
10 State); or

11 “(C) any person, firm, association, or cor-
12 poration; and

13 “(10) establish and maintain a central office
14 and field offices at such locations as the Authority
15 may select.

16 “(f) FEDERAL AGENCY COOPERATION.—A Federal
17 agency shall—

18 “(1) cooperate with the Authority; and

19 “(2) provide, on request of the Federal cochair-
20 person, appropriate assistance in carrying out this
21 subtitle, in accordance with applicable Federal laws
22 (including regulations).

23 “(g) ADMINISTRATIVE EXPENSES.—

24 “(1) IN GENERAL.—Administrative expenses of
25 the Authority (except for the expenses of the Fed-

1 eral cochairperson, including expenses of the alter-
 2 nate and staff of the Federal cochairperson, which
 3 shall be paid solely by the Federal Government)
 4 shall be paid—

5 “(A) by the Federal Government, in an
 6 amount equal to 50 percent of the administra-
 7 tive expenses; and

8 “(B) by the States in the region partici-
 9 pating in the Authority, in an amount equal to
 10 50 percent of the administrative expenses.

11 “(2) STATE SHARE.—

12 “(A) IN GENERAL.—The share of adminis-
 13 trative expenses of the Authority to be paid by
 14 each State shall be determined by the Author-
 15 ity.

16 “(B) NO FEDERAL PARTICIPATION.—The
 17 Federal cochairperson shall not participate or
 18 vote in any decision under subparagraph (A).

19 “(C) DELINQUENT STATES.—If a State is
 20 delinquent in payment of the State’s share of
 21 administrative expenses of the Authority under
 22 this subsection—

23 “(i) no assistance under this subtitle
 24 shall be furnished to the State (including

1 assistance to a political subdivision or a
2 resident of the State); and

3 “(ii) no member of the Authority from
4 the State shall participate or vote in any
5 action by the Authority.

6 “(h) COMPENSATION.—

7 “(1) FEDERAL COCHAIRPERSON.—The Federal
8 cochairperson shall be compensated by the Federal
9 Government at level III of the Executive Schedule in
10 subchapter II of chapter 53 of title 5, United States
11 Code.

12 “(2) ALTERNATE FEDERAL COCHAIRPERSON.—
13 The alternate Federal cochairperson—

14 “(A) shall be compensated by the Federal
15 Government at level V of the Executive Sched-
16 ule described in paragraph (1); and

17 “(B) when not actively serving as an alter-
18 nate for the Federal cochairperson, shall per-
19 form such functions and duties as are delegated
20 by the Federal cochairperson.

21 “(3) STATE MEMBERS AND ALTERNATES.—

22 “(A) IN GENERAL.—A State shall com-
23 pensate each member and alternate rep-
24 resenting the State on the Authority at the rate
25 established by law of the State.

1 “(B) NO ADDITIONAL COMPENSATION.—

2 No State member or alternate member shall re-
3 ceive any salary, or any contribution to or sup-
4 plementation of salary from any source other
5 than the State for services provided by the
6 member or alternate to the Authority.

7 “(4) DETAILED EMPLOYEES.—

8 “(A) IN GENERAL.—No person detailed to
9 serve the Authority under subsection (e)(6)
10 shall receive any salary or any contribution to
11 or supplementation of salary for services pro-
12 vided to the Authority from—

13 “(i) any source other than the State,
14 local, or intergovernmental department or
15 agency from which the person was detailed;
16 or

17 “(ii) the Authority.

18 “(B) VIOLATION.—Any person that vio-
19 lates this paragraph shall be fined not more
20 than \$5,000, imprisoned not more than 1 year,
21 or both.

22 “(C) APPLICABLE LAW.—The Federal co-
23 chairperson, the alternate Federal cochair-
24 person, and any Federal officer or employee de-
25 tailed to duty on the Authority under sub-

1 section (e)(5) shall not be subject to subpara-
 2 graph (A), but shall remain subject to sections
 3 202 through 209 of title 18, United States
 4 Code.

5 “(5) ADDITIONAL PERSONNEL.—

6 “(A) COMPENSATION.—

7 “(i) IN GENERAL.—The Authority
 8 may appoint and fix the compensation of
 9 an executive director and such other per-
 10 sonnel as are necessary to enable the Au-
 11 thority to carry out the duties of the Au-
 12 thority.

13 “(ii) EXCEPTION.—Compensation
 14 under clause (i) shall not exceed the max-
 15 imum rate for the Senior Executive Service
 16 under section 5382 of title 5, United
 17 States Code, including any applicable local-
 18 ity-based comparability payment that may
 19 be authorized under section 5304(h)(2)(C)
 20 of that title.

21 “(B) EXECUTIVE DIRECTOR.—The execu-
 22 tive director shall be responsible for—

23 “(i) the carrying out of the adminis-
 24 trative duties of the Authority;

1 “(ii) direction of the Authority staff;

2 and

3 “(iii) such other duties as the Author-

4 ity may assign.

5 “(C) NO FEDERAL EMPLOYEE STATUS.—

6 No member, alternate, officer, or employee of
 7 the Authority (except the Federal cochairperson
 8 of the Authority, the alternate and staff for the
 9 Federal cochairperson, and any Federal em-
 10 ployee detailed to the Authority under sub-
 11 section (e)(5)) shall be considered to be a Fed-
 12 eral employee for any purpose.

13 “(i) CONFLICTS OF INTEREST.—

14 “(1) IN GENERAL.—Except as provided under
 15 paragraph (2), no State member, alternate, officer,
 16 or employee of the Authority shall participate per-
 17 sonally and substantially as a member, alternate, of-
 18 ficer, or employee of the Authority, through decision,
 19 approval, disapproval, recommendation, the ren-
 20 dering of advice, investigation, or otherwise, in any
 21 proceeding, application, request for a ruling or other
 22 determination, contract, claim, controversy, or other
 23 matter in which, to knowledge of the member, alter-
 24 nate, officer, or employee—

1 “(A) the member, alternate, officer, or em-
2 ployee;

3 “(B) the spouse, minor child, partner, or
4 organization (other than a State or political
5 subdivision of the State) of the member, alter-
6 nate, officer, or employee, in which the member,
7 alternate, officer, or employee is serving as offi-
8 cer, director, trustee, partner, or employee; or

9 “(C) any person or organization with
10 whom the member, alternate, officer, or em-
11 ployee is negotiating or has any arrangement
12 concerning prospective employment;

13 has a financial interest.

14 “(2) DISCLOSURE.—Paragraph (1) shall not
15 apply if the State member, alternate, officer, or
16 employee—

17 “(A) immediately advises the Authority of
18 the nature and circumstances of the proceeding,
19 application, request for a ruling or other deter-
20 mination, contract, claim, controversy, or other
21 particular matter presenting a potential conflict
22 of interest;

23 “(B) makes full disclosure of the financial
24 interest; and

11 “(j) VALIDITY OF CONTRACTS, LOANS, AND
12 GRANTS.—The Authority may declare void any contract,
13 loan, or grant of or by the Authority in relation to which
14 the Authority determines that there has been a violation
15 of any provision under subsection (h)(4), subsection (i),
16 or sections 202 through 209 of title 18, United States
17 Code.

20 “(a) IN GENERAL.—The Authority may approve
21 grants to States, local governments, and public and non-
22 profit organizations for projects, approved in accordance
23 with section 383I—

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1 purpose of facilitating economic development in the
 2 region (except that grants for this purpose may only
 3 be made to States, local governments, and nonprofit
 4 organizations);

5 “(2) to assist the region in obtaining the job
 6 training, employment-related education, and busi-
 7 ness development (with an emphasis on entrepre-
 8 neurship) that are needed to build and maintain
 9 strong local economies;

10 “(3) to provide assistance to severely distressed
 11 and underdeveloped areas that lack financial re-
 12 sources for improving basic public services;

13 “(4) to provide assistance to severely distressed
 14 and underdeveloped areas that lack financial re-
 15 sources for equipping industrial parks and related
 16 facilities; and

17 “(5) to otherwise achieve the purposes of this
 18 subtitle.

19 “(b) FUNDING.—

20 “(1) IN GENERAL.—Funds for grants under
 21 subsection (a) may be provided—

22 “(A) entirely from appropriations to carry
 23 out this section;

1 “(B) in combination with funds available
2 under another Federal or Federal grant pro-
3 gram; or

4 “(C) from any other source.

5 “(2) PRIORITY OF FUNDING.—To best build the
6 foundations for long-term economic development and
7 to complement other Federal and State resources in
8 the region, Federal funds available under this sub-
9 title shall be focused on the activities in the fol-
10 lowing order or priority:

11 “(A) Basic public infrastructure in dis-
12 tressed counties and isolated areas of distress.

13 “(B) Transportation and telecommuni-
14 cation infrastructure for the purpose of facili-
15 tating economic development in the region.

16 “(C) Business development, with emphasis
17 on entrepreneurship.

18 “(D) Job training or employment-related
19 education, with emphasis on use of existing
20 public educational institutions located in the re-
21 gion.

22 “(3) FEDERAL SHARE IN GRANT PROGRAMS.—
23 Notwithstanding any provision of law limiting the
24 Federal share in any grant program, funds appro-
25 priated to carry out this section may be used to in-

1 crease a Federal share in a grant program, as the
2 Authority determines appropriate.

3 **“SEC. 383D. SUPPLEMENTS TO FEDERAL GRANT PRO-**
4 **GRAMS.**

5 “(a) FINDING.—Congress finds that certain States
6 and local communities of the region, including local devel-
7 opment districts, may be unable to take maximum advan-
8 tage of Federal grant programs for which the States and
9 communities are eligible because—

10 “(1) they lack the economic resources to meet
11 the required matching share; or

12 “(2) there are insufficient funds available under
13 the applicable Federal grant law authorizing the
14 program to meet pressing needs of the region.

15 “(b) FEDERAL GRANT PROGRAM FUNDING.—In ac-
16 cordance with subsection (c), the Federal cochairperson
17 may use amounts made available to carry out this subtitle,
18 without regard to any limitations on areas eligible for as-
19 sistance or authorizations for appropriation under any
20 other Act, to fund all or any portion of the basic Federal
21 contribution to a project or activity under a Federal grant
22 program in the region in an amount that is above the fixed
23 maximum portion of the cost of the project otherwise au-
24 thorized by applicable law, but not to exceed 90 percent

1 of the costs of the project (except as provided in section
2 383F(b)).

3 “(c) CERTIFICATION.—

4 “(1) IN GENERAL.—In the case of any program
5 or project for which all or any portion of the basic
6 Federal contribution to the project under a Federal
7 grant program is proposed to be made under this
8 section, no Federal contribution shall be made until
9 the Federal official administering the Federal law
10 authorizing the contribution certifies that the pro-
11 gram or project—

12 “(A) meets the applicable requirements of
13 the applicable Federal grant law; and

14 “(B) could be approved for Federal con-
15 tribution under the law if funds were available
16 under the law for the program or project.

17 “(2) CERTIFICATION BY AUTHORITY.—

18 “(A) IN GENERAL.—The certifications and
19 determinations required to be made by the Au-
20 thority for approval of projects under this sub-
21 title in accordance with section 383I—

22 “(i) shall be controlling; and

23 “(ii) shall be accepted by the Federal
24 agencies.

1 “(B) ACCEPTANCE BY FEDERAL COCHAIR-
 2 PERSON.—Any finding, report, certification, or
 3 documentation required to be submitted to the
 4 head of the department, agency, or instrumen-
 5 tality of the Federal Government responsible for
 6 the administration of any Federal grant pro-
 7 gram shall be accepted by the Federal cochair-
 8 person with respect to a supplemental grant for
 9 any project under the program.

10 **“SEC. 383E. LOCAL DEVELOPMENT DISTRICTS; CERTIFI-**
 11 **CATION AND ADMINISTRATIVE EXPENSES.**

12 “(a) DEFINITION OF LOCAL DEVELOPMENT DIS-
 13 TRICT.—In this section, the term ‘local development dis-
 14 trict’ means an entity that—

15 “(1) is—

16 “(A) a planning district in existence on the
 17 date of enactment of this subtitle that is recog-
 18 nized by the Economic Development Adminis-
 19 tration of the Department of Commerce; or

20 “(B) where an entity described in subpara-
 21 graph (A) does not exist—

22 “(i) organized and operated in a man-
 23 ner that ensures broad-based community
 24 participation and an effective opportunity
 25 for other nonprofit groups to contribute to

1 the development and implementation of
2 programs in the region;

3 “(ii) governed by a policy board with
4 at least a simple majority of members con-
5 sisting of elected officials or employees of
6 a general purpose unit of local government
7 who have been appointed to represent the
8 government;

9 “(iii) certified to the Authority as hav-
10 ing a charter or authority that includes the
11 economic development of counties or parts
12 of counties or other political subdivisions
13 within the region—

14 “(I) by the Governor of each
15 State in which the entity is located; or

16 “(II) by the State officer des-
17 ignated by the appropriate State law
18 to make the certification; and

19 “(iv)(I) a nonprofit incorporated body
20 organized or chartered under the law of
21 the State in which the entity is located;

22 “(II) a nonprofit agency or instru-
23 mentality of a State or local government;

24 “(III) a public organization estab-
25 lished before the date of enactment of this

1 subtitle under State law for creation of
 2 multi-jurisdictional, area-wide planning or-
 3 ganizations; or

4 “(IV) a nonprofit association or com-
 5 bination of bodies, agencies, and instru-
 6 mentalities described in subclauses (I)
 7 through (III); and

8 “(2) has not, as certified by the Federal
 9 cochairperson—

10 “(A) inappropriately used Federal grant
 11 funds from any Federal source; or

12 “(B) appointed an officer who, during the
 13 period in which another entity inappropriately
 14 used Federal grant funds from any Federal
 15 source, was an officer of the other entity.

16 “(b) GRANTS TO LOCAL DEVELOPMENT DIS-
 17 TRICTS.—

18 “(1) IN GENERAL.—The Authority may make
 19 grants for administrative expenses under this sec-
 20 tion.

21 “(2) CONDITIONS FOR GRANTS.—

22 “(A) MAXIMUM AMOUNT.—The amount of
 23 any grant awarded under paragraph (1) shall
 24 not exceed 80 percent of the administrative ex-

1 penses of the local development district receiv-
2 ing the grant.

3 “(B) MAXIMUM PERIOD.—No grant de-
4 scribed in paragraph (1) shall be awarded to a
5 State agency certified as a local development
6 district for a period greater than 3 years.

7 “(C) LOCAL SHARE.—The contributions of
8 a local development district for administrative
9 expenses may be in cash or in kind, fairly evalu-
10 ated, including space, equipment, and services.

11 “(c) DUTIES OF LOCAL DEVELOPMENT DIS-
12 TRICTS.—A local development district shall—

13 “(1) operate as a lead organization serving
14 multicounty areas in the region at the local level;
15 and

16 “(2) serve as a liaison between State and local
17 governments, nonprofit organizations (including
18 community-based groups and educational institu-
19 tions), the business community, and citizens that—

20 “(A) are involved in multijurisdictional
21 planning;

22 “(B) provide technical assistance to local
23 jurisdictions and potential grantees; and

24 “(C) provide leadership and civic develop-
25 ment assistance.

1 **“SEC. 383F. DISTRESSED COUNTIES AND AREAS AND NON-**
 2 **DISTRESSED COUNTIES.**

3 “(a) DESIGNATIONS.—Not later than 90 days after
 4 the date of enactment of this subtitle, and annually there-
 5 after, the Authority, in accordance with such criteria as
 6 the Authority may establish, shall designate—

7 “(1) as distressed counties, counties in the re-
 8 gion that are the most severely and persistently dis-
 9 tressed and underdeveloped and have high rates of
 10 poverty, unemployment, or outmigration;

11 “(2) as nondistressed counties, counties in the
 12 region that are not designated as distressed counties
 13 under paragraph (1); and

14 “(3) as isolated areas of distress, areas located
 15 in nondistressed counties (as designated under para-
 16 graph (2)) that have high rates of poverty, unem-
 17 ployment, or outmigration.

18 “(b) DISTRESSED COUNTIES.—

19 “(1) IN GENERAL.—The Authority shall allo-
 20 cate at least 75 percent of the appropriations made
 21 available under section 383M for programs and
 22 projects designed to serve the needs of distressed
 23 counties and isolated areas of distress in the region.

24 “(2) FUNDING LIMITATIONS.—The funding lim-
 25 itations under section 383D(b) shall not apply to a
 26 project providing transportation or telecommuni-

1 cation or basic public services to residents of 1 or
 2 more distressed counties or isolated areas of distress
 3 in the region.

4 “(c) NONDISTRESSED COUNTIES.—

5 “(1) IN GENERAL.—Except as provided in this
 6 subsection, no funds shall be provided under this
 7 subtitle for a project located in a county designated
 8 as a nondistressed county under subsection (a)(2).

9 “(2) EXCEPTIONS.—

10 “(A) IN GENERAL.—The funding prohibi-
 11 tion under paragraph (1) shall not apply to
 12 grants to fund the administrative expenses of
 13 local development districts under section
 14 383E(b).

15 “(B) MULTICOUNTY PROJECTS.—The Au-
 16 thority may waive the application of the fund-
 17 ing prohibition under paragraph (1) to—

18 “(i) a multicounty project that in-
 19 cludes participation by a nondistressed
 20 county; or

21 “(ii) any other type of project;
 22 if the Authority determines that the project
 23 could bring significant benefits to areas of the
 24 region outside a nondistressed county.

1 “(C) ISOLATED AREAS OF DISTRESS.—For
 2 a designation of an isolated area of distress for
 3 assistance to be effective, the designation shall
 4 be supported—

5 “(i) by the most recent Federal data
 6 available; or

7 “(ii) if no recent Federal data are
 8 available, by the most recent data available
 9 through the government of the State in
 10 which the isolated area of distress is lo-
 11 cated.

12 “(d) TRANSPORTATION, TELECOMMUNICATION, AND
 13 BASIC PUBLIC INFRASTRUCTURE.—The Authority shall
 14 allocate at least 50 percent of any funds made available
 15 under section 383M for transportation, telecommuni-
 16 cation, and basic public infrastructure projects authorized
 17 under paragraphs (1) and (3) of section 383C(a).

18 **“SEC. 383G. DEVELOPMENT PLANNING PROCESS.**

19 “(a) STATE DEVELOPMENT PLAN.—In accordance
 20 with policies established by the Authority, each State
 21 member shall submit a development plan for the area of
 22 the region represented by the State member.

23 “(b) CONTENT OF PLAN.—A State development plan
 24 submitted under subsection (a) shall reflect the goals, ob-

1 jectives, and priorities identified in the regional develop-
 2 ment plan developed under section 383B(d)(2).

3 “(c) CONSULTATION WITH INTERESTED LOCAL PAR-
 4 TIES.—In carrying out the development planning process
 5 (including the selection of programs and projects for as-
 6 sistance), a State may—

7 “(1) consult with—

8 “(A) local development districts; and

9 “(B) local units of government; and

10 “(2) take into consideration the goals, objec-
 11 tives, priorities, and recommendations of the entities
 12 described in paragraph (1).

13 “(d) PUBLIC PARTICIPATION.—

14 “(1) IN GENERAL.—The Authority and applica-
 15 ble State and local development districts shall en-
 16 courage and assist, to the maximum extent prac-
 17 ticable, public participation in the development, revi-
 18 sion, and implementation of all plans and programs
 19 under this subtitle.

20 “(2) REGULATIONS.—The Authority shall de-
 21 velop guidelines for providing public participation
 22 described in paragraph (1), including public hear-
 23 ings.

1 **“SEC. 383H. PROGRAM DEVELOPMENT CRITERIA.**

2 “(a) IN GENERAL.—In considering programs and
3 projects to be provided assistance under this subtitle, and
4 in establishing a priority ranking of the requests for as-
5 sistance provided by the Authority, the Authority shall fol-
6 low procedures that ensure, to the maximum extent prac-
7 ticable, consideration of—

8 “(1) the relationship of the project or class of
9 projects to overall regional development;

10 “(2) the per capita income and poverty and un-
11 employment and outmigration rates in an area;

12 “(3) the financial resources available to the ap-
13 plicants for assistance seeking to carry out the
14 project, with emphasis on ensuring that projects are
15 adequately financed to maximize the probability of
16 successful economic development;

17 “(4) the importance of the project or class of
18 projects in relation to other projects or classes of
19 projects that may be in competition for the same
20 funds;

21 “(5) the prospects that the project for which as-
22 sistance is sought will improve, on a continuing rath-
23 er than a temporary basis, the opportunities for em-
24 ployment, the average level of income, or the eco-
25 nomic development of the area served by the project;
26 and

1 “(6) the extent to which the project design pro-
 2 vides for detailed outcome measurements by which
 3 grant expenditures and the results of the expendi-
 4 tures may be evaluated.

5 “(b) NO RELOCATION ASSISTANCE.—No financial
 6 assistance authorized by this subtitle shall be used to as-
 7 sist a person or entity in relocating from one area to an-
 8 other, except that financial assistance may be used as oth-
 9 erwise authorized by this title to attract businesses from
 10 outside the region to the region.

11 “(c) REDUCTION OF FUNDS.—Funds may be pro-
 12 vided for a program or project in a State under this sub-
 13 title only if the Authority determines that the level of Fed-
 14 eral or State financial assistance provided under a law
 15 other than this subtitle, for the same type of program or
 16 project in the same area of the State within the region,
 17 will not be reduced as a result of funds made available
 18 by this subtitle.

19 **“SEC. 383I. APPROVAL OF DEVELOPMENT PLANS AND**
 20 **PROJECTS.**

21 “(a) IN GENERAL.—A State or regional development
 22 plan or any multistate subregional plan that is proposed
 23 for development under this subtitle shall be reviewed by
 24 the Authority.

1 “(b) EVALUATION BY STATE MEMBER.—An applica-
 2 tion for a grant or any other assistance for a project under
 3 this subtitle shall be made through and evaluated for ap-
 4 proval by the State member of the Authority representing
 5 the applicant.

6 “(c) CERTIFICATION.—An application for a grant or
 7 other assistance for a project shall be approved only on
 8 certification by the State member that the application for
 9 the project—

10 “(1) describes ways in which the project com-
 11 plies with any applicable State development plan;

12 “(2) meets applicable criteria under section
 13 383H;

14 “(3) provides adequate assurance that the pro-
 15 posed project will be properly administered, oper-
 16 ated, and maintained; and

17 “(4) otherwise meets the requirements of this
 18 subtitle.

19 “(d) VOTES FOR DECISIONS.—On certification by a
 20 State member of the Authority of an application for a
 21 grant or other assistance for a specific project under this
 22 section, an affirmative vote of the Authority under section
 23 383B(c) shall be required for approval of the application.

1 **“SEC. 383J. CONSENT OF STATES.**

2 “Nothing in this subtitle requires any State to engage
3 in or accept any program under this subtitle without the
4 consent of the State.

5 **“SEC. 383K. RECORDS.**

6 “(a) RECORDS OF THE AUTHORITY.—

7 “(1) IN GENERAL.—The Authority shall main-
8 tain accurate and complete records of all trans-
9 actions and activities of the Authority.

10 “(2) AVAILABILITY.—All records of the Author-
11 ity shall be available for audit and examination by
12 the Comptroller General of the United States and
13 the Inspector General of the Department of Agri-
14 culture (including authorized representatives of the
15 Comptroller General and the Inspector General of
16 the Department of Agriculture).

17 “(b) RECORDS OF RECIPIENTS OF FEDERAL ASSIST-
18 ANCE.—

19 “(1) IN GENERAL.—A recipient of Federal
20 funds under this subtitle shall, as required by the
21 Authority, maintain accurate and complete records
22 of transactions and activities financed with Federal
23 funds and report on the transactions and activities
24 to the Authority.

25 “(2) AVAILABILITY.—All records required
26 under paragraph (1) shall be available for audit by

1 the Comptroller General of the United States, the
2 Inspector General of the Department of Agriculture,
3 and the Authority (including authorized representa-
4 tives of the Comptroller General, the Inspector Gen-
5 eral of the Department of Agriculture, and the Au-
6 thority).

7 “(c) ANNUAL AUDIT.—The Inspector General of the
8 Department of Agriculture shall audit the activities, trans-
9 actions, and records of the Authority on an annual basis.

10 **“SEC. 383L. ANNUAL REPORT.**

11 “Not later than 180 days after the end of each fiscal
12 year, the Authority shall submit to the President and to
13 Congress a report describing the activities carried out
14 under this subtitle.

15 **“SEC. 383M. AUTHORIZATION OF APPROPRIATIONS.**

16 “(a) IN GENERAL.—There is authorized to be appro-
17 priated to the Authority to carry out this subtitle
18 \$30,000,000 for each of fiscal years 2002 through 2006,
19 to remain available until expended.

20 “(b) ADMINISTRATIVE EXPENSES.—Not more than 5
21 percent of the amount appropriated under subsection (a)
22 for a fiscal year shall be used for administrative expenses
23 of the Authority.

24 “(c) MINIMUM STATE SHARE OF GRANTS.—Notwith-
25 standing any other provision of this subtitle, for any fiscal

1 year, the aggregate amount of grants received by a State
 2 and all persons or entities in the State under this subtitle
 3 shall be not less than $\frac{1}{3}$ of the product obtained by
 4 multiplying—

5 “(1) the aggregate amount of grants under this
 6 subtitle for the fiscal year; and

7 “(2) the ratio that—

8 “(A) the population of the State (as deter-
 9 mined by the Secretary of Commerce based on
 10 the most recent decennial census for which data
 11 are available); bears to

12 “(B) the population of the region (as so
 13 determined).

14 **“SEC. 383N. TERMINATION OF AUTHORITY.**

15 “‘This subtitle and the authority provided under this
 16 subtitle expire on October 1, 2006.’”.

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